

# BLANKET PURCHASE ORDER

## STATE OF MARYLAND

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BPO NO: 001B3400171

PRINT DATE: 10/01/12

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### SHIP TO:

AS SPECIFIED ON INDIVIDUAL ORDERS

**VENDOR ID:** 1522227095  
MIK INDUSTRIES INC  
9115 G WHISKEY BOTTOM RD  
  
LAUREL, MD 20723  
(301 ) 497-1990

### REFER QUESTIONS TO:

MARGIE HAJIANTONI  
(410 ) 767-3039  
MARGARET.HAJIANTONI@DGS.STATE.MD.US

**ITB:** 001IT818873

**EXPR DATE:** 10/01/13  
**POST DATE:** 10/01/12

**DISCOUNT TERMS:** . NET 30 DAY  
**CONTRACT AMOUNT:** .00

### TERMS:

ARTICLES HEREIN ARE EXEMPT FROM MARYLAND SALES AND USE TAXES BY EXEMPTION CERTIFICATE NUMBER 3000256-3 AND FROM FEDERAL EXCISE TAXES BY EXEMPTION NUMBER 52-73-0358K. IT IS THE VENDOR'S RESPONSIBILITY TO ADVISE COMMON CARRIERS THAT AGENCIES OF THE STATE OF MARYLAND ARE EXEMPT FROM TRANSPORTATION TAX.

STATEWIDE CONTRACT  
FOR  
FROZEN JUICES

+++++

CONTRACT PERIOD: OCTOBER 01, 2012 THROUGH SEPTEMBER 30, 2013 (1 YEAR).

THIS CONTRACT MAY BE UNILATERALLY RENEWED FOR TWO (2) ADDITIONAL ONE (1) YEAR PERIODS AT THE SAME TERMS AND CONDITIONS.

THIS CONTRACT IS A FIXED PRICE CONTRACT WITH ADJUSTMENT. PRICE ADJUSTMENTS WILL BE ALLOWED PER THE TERMS BELOW UNDER "PRICE ESCALATION/DE-ESCALATION."

THIS SOLICITATION IS FOR AN INDEFINITE QUANTITY TERM CONTRACT TO SUPPLY THE STATE OF MARYLAND AGENCIES WITH THEIR REQUIREMENTS FOR FROZEN JUICES AS SPECIFIED

QUOTED PRICES ARE TO BE NET 30 DAYS F.O.B. TO ANY POINT WITHIN THE STATE OF MARYLAND, AND INCLUDE FREIGHT/SHIPPING, HANDLING AND ADMINISTRATION CHARGES. ALL DISCOUNTS ARE TO BE DEDUCTED AND REFLECTED IN NET PRICES.

PROCESSING FEE -

1. CONTRACTOR SHALL PAY A PROCESSING FEE TO THE STATE IN THE AMOUNT OF ONE PERCENT (1%) OF THE TOTAL CONTRACT SALES. THE PROCESSING FEE

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### TERMS (cont'd):

IS CALCULATED BASED ON ALL SALES TRANSACTED UNDER THE CONTRACT, MINUS ANY RETURNS OR CREDITS. THE PROCESSING FEE SHALL NOT BE CHARGED DIRECTLY TO THE CUSTOMER, E.G., AS A SEPARATE LINE ITEM, FEE OR SURCHARGE, BUT SHALL BE INCLUDED IN THE CONTRACT'S UNIT PRICES.

2. THE PROCESSING FEE SHALL BE SUBMITTED TO THE DEPARTMENT OF GENERAL SERVICES, FISCAL SERVICES DIVISION, 301 W. PRESTON STREET, ROOM 1309, BALTIMORE, MD., 21201, WITHIN TEN (10) CALENDAR DAYS FOLLOWING THE END OF EACH CALENDAR MONTH ALONG WITH A MONTHLY USAGE REPORT DOCUMENTING ALL CONTRACT SALES. AN EXCEL VERSION OF THE MONTHLY USAGE REPORT SHALL ALSO BE EMAILED TO THE PROCUREMENT OFFICER.

3. FAILURE TO REMIT PROCESSING FEES IN A TIMELY MANNER OR REMITTANCE OF FEES INCONSISTENT WITH THE CONTRACT'S REQUIREMENTS MAY RESULT IN THE STATE EXERCISING ALL RECOURSE AVAILABLE UNDER THE CONTRACT INCLUDING, BUT NOT LIMITED TO, A THIRD PARTY AUDIT OF ALL CONTRACT ACTIVITY. SHOULD AN AUDIT BE REQUIRED BY THE STATE, THE CONTRACTOR SHALL REIMBURSE THE STATE FOR ALL COSTS ASSOCIATED WITH THE AUDIT UP TO \$10,000.00 OR ONE (1%) PERCENT OF THE CONTRACT'S ESTIMATED ANNUAL VALUE, WHICHEVER IS HIGHER.

<u>LINE #</u>	<u>STATE ITEM ID</u>	<u>U/M</u>	<u>UNIT COST</u>
0001	38554-000474	CS	12.4500
JUICE, APPLE, FROZEN FROM CONCENTRATE 96/4OZ. INDIV. CONTAINERS/CASE. 96/4 OZ FRUITBUD BRAND #2882			
0002	38554-000480	CS	11.9500
JUICE, CRANBERRY, FROZEN FROM CONCENTRATE, 96/4 OZ. INDIV. CONTAINERS/CASE.			

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<u>LINE #</u>	<u>STATE ITEM ID</u>	<u>U/M</u>	<u>UNIT COST</u>
96/4 OZ FRUITBUD BRAND #1545			
0003	38554-000482	CS	14.2000
JUICE, GRAPE, FROZEN FROM CONCENTRATE 96/4OZ. INDIV. CONTAINERS/CASE.			
96/4 OZ FRUITBUD BRAND #1559			
0004	38554-000486	CS	14.3500
JUICE, ORANGE, FROZEN FROM CONCENTRATE, 96/4OZ. INDIV. CONTAINERS/CASE.			
96/4 OZ FRUITBUD BRAND #1540			
0005	38554-000488	CS	14.4500
JUICE, PINEAPPLE, FROZEN FROM CONCENTRATE, 96/4OZ. INDIV. CONTAINERS/CASE.			
96/4 OZ FRUITBUD BRAND #1549			
0006	38554-000490	CS	15.4000
JUICE, PRUNE, FROZEN FROM CONCENTRATE, 96/4 OZ. INDIV. CONTAINERS/CASE.			
96/4 OZ FRUITBUD BRAND #1552			
0007	38554-000475	CS	7.4500
FRUIT PUNCH FROZ FROM CONCENTRATE			
96/4 OZ FRUITBUD BRAND #1555			
END OF ITEM LIST			

### DELIVERY:

DELIVERY SHALL BE MADE WITHIN FIFTEEN (15) WORKING DAYS AFTER RECEIPT OF THE ORDER.

THE VENDOR WILL BE RESPONSIBLE FOR ALL TRANSPORTATION, SHIPPING AND

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### TERMS (cont'd):

DELIVERY CHARGES. BID PRICES MUST INCLUDE ALL THESE CHARGES.

ALL ORDERS WILL BE SHIPPED AND BILLED DIRECT TO EACH AGENCY. AGENCY AUTHORIZED AGENTS (AGENCY BUYERS) WILL BE REQUIRED TO ISSUE WRITTEN OR FAXED ORDERS TO THE SUCCESSFUL VENDOR (S). TELEPHONE ORDERS MUST BE FOLLOWED UP WITH ISSUANCE OF A PURCHASE ORDER WITHIN 48 HOURS.

MINIMUM ORDER QUANTITIES FOR F.O.B. DELIVERED - MINIMUM ORDER ACCEPTABLE FOR CONTRACT PRICING IS \$500.00 ON ANY ITEM OR COMBINATION OF ITEMS. ON ORDERS UNDER \$500.00 PER SINGLE DELIVERY, THE VENDOR MAY ELECT TO ADD A DELIVERY CHARGE NOT TO EXCEED THE ACTUAL DELIVERY COSTS INCURRED BY THE VENDOR. INCREASES SHALL BE CALCULATED AND ADDED TO INVOICES AS A SEPARATE LINE ITEM. PROOF OF ACTUAL DELIVERY COSTS MAY BE REQUIRED.

ALL QUOTES SHALL INCLUDE DELIVERY FREQUENCY OF NOT MORE THAN TWO (2) DELIVERIES PER MONTH FOR EACH AGENCY FOR THE DURATION OF THE CONTRACT. AGENCIES MAY OPT FOR LESS FREQUENT DELIVERIES.

#### SECURE FACILITIES:

SECURITY CONCERNS VARY STATEWIDE, BUT ARE ESPECIALLY IMPORTANT AT CORRECTIONAL FACILITIES AND CERTAIN OTHER FACILITIES. CONTRACTOR'S AND SUBCONTRACTORS' EMPLOYEES SHALL COMPLY WITH THE SECURITY REQUIREMENTS AT EACH FACILITY. AUTHORIZED USERS ARE RESPONSIBLE FOR ALERTING CONTRACTOR TO THESE REQUIREMENTS BEFORE OR WHILE PLACING THEIR FIRST ORDER.

CONTRACTORS ARE AWARE THAT COMMON SECURITY RESTRICTIONS INCLUDE: IDENTIFICATION - ALL OF CONTRACTOR'S AND SUBCONTRACTORS' EMPLOYEES, WHILE WORKING ON STATE PROPERTY, SHALL CARRY OR DISPLAY ACCEPTABLE IDENTIFICATION. REQUIREMENTS VARY BY AUTHORIZED USER. FOR INSTANCE, SOME FACILITIES REQUIRE A VISIBLE PHOTO-ID BADGE, WHILE OTHERS MAY REQUIRE A VALID DRIVER'S LICENSE INSTEAD.

VEHICLE SECURITY - IN MANY LOCATIONS, DRIVERS SHALL TURN OFF VEHICLE MOTORS AND LOCK CAB DOORS WHENEVER THEIR TRUCK IS UNATTENDED.

PATIENT/INMATE CONTACT - DELIVERY PERSONNEL SHOULD MINIMIZE INTERACTION WITH INMATES OR PATIENTS, AND SHALL REPORT ANY VERBAL CONTACT TO THE AUTHORIZED USER BEFORE LEAVING THE SITE.

DRIVERS WHO ENTER HIGH SECURITY FACILITIES SHALL HAVE PRIOR APPROVAL TO ENTER FROM SECURITY STAFF, GENERALLY INVOLVING A BACKGROUND CHECK TO ENSURE THAT THEY ARE NOT CONVICTED FELONS. AT SOME FACILITIES, TRUCKS SHALL BE SEARCHED PRIOR TO ENTRY AND EXIT, CAUSING UP TO 30 MINUTES DELAY EACH WAY.

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AT CORRECTIONAL FACILITIES AND YOUTH CENTERS, DRIVERS CAN NOT HAVE ANY WEAPONS (INCLUDING JACK KNIVES OR BOX CUTTERS), CELL PHONES, PAGERS, DRUGS, TOBACCO PRODUCTS OR ANY ITEM DEEMED TO BE POTENTIAL CONTRABAND. CORRECTIONAL OFFICERS CAN HOLD THESE ITEMS FOR DRIVERS AT THE DELIVERY SALLY-PORT AND RETURN THEM AS THE DRIVER EXITS THE GROUNDS. ANY ILLEGAL ITEMS SHALL NOT BE RETURNED.

#### PRICE ESCALATION/DE-ESCALATION:

1. AT THE TIME OF EACH RENEWAL, THE CONTRACTOR MAY REQUEST AN INCREASE OF THE PRICES THEN PREVAILING. THE REQUEST FOR A PRICE INCREASE MUST BE SUBMITTED WITHIN TWO (2) WEEKS OF THE NOTICE FROM THE DGS PROCUREMENT OFFICER OF THE STATE'S INTENT TO EXERCISE THE RENEWAL OPTION.
2. THE INCREASE IS NOT TO EXCEED THE CURRENT RATE OF INFLATION, AS DETERMINED BY THE PRODUCER PRICE INDEX (PPI) FOR FROZEN JUICES, ADES, DRINKS AND COCKTAILS, COMMODITY CODE NUMBER WPU024203 NOT SEASONALLY ADJUSTED; FOUND AT [WWW.BLS.GOV/PPI/.COM](http://WWW.BLS.GOV/PPI/.COM). THE INCREASE WILL BE BASED ON THE INDEX VALUE FOR AUGUST 2012 AND THE MOST RECENT FINAL INDEX AVAILABLE ON THE BLS WEBSITE AT THE TIME OF THE REQUEST. ALL OTHER TERMS, CONDITIONS AND SPECIFICATIONS WILL REMAIN THE SAME.
3. ONCE A PRICE INCREASE HAS BEEN APPROVED, NO FURTHER INCREASES SHALL BE CONSIDERED FOR THE PERIOD OF TWELVE (12) MONTHS. SUBSEQUENT INCREASES WILL BE BASED ON THE FINAL INDEX VALUE USED ON THE PRECEDING ADJUSTMENT AND THE MOST RECENT FINAL INDEX VALUE AVAILABLE ON THE BLS WEBSITE AT THE TIME OF THE CURRENT REQUEST. THE STATE RESERVES THE RIGHT NOT TO ALLOW A PRICE INCREASE, IN WHICH CASE THE CONTRACT FOR THE ITEM WHICH AN INCREASE WAS DENIED WILL BE CANCELED IF REQUESTED BY THE VENDOR.
4. THE INCREASED CONTRACT PRICE SHALL NOT APPLY TO ORDERS RECEIVED BY THE CONTRACTOR PRIOR TO THE EFFECTIVE DATE OF THE APPROVED INCREASED CONTRACT UNIT PRICE. ORDERS PLACED VIA PURCHASE ORDER, SHALL BE CONSIDERED TO HAVE BEEN RECEIVED BY THE CONTRACTOR AFTER THE FIFTH (5TH) CALENDAR DAY FOLLOWING THE DATE OF ISSUANCE. THE PROCUREMENT OFFICER MAY CANCEL, WITHOUT LIABILITY TO EITHER PARTY, ANY PORTION OF THE CONTRACT AFFECTED BY THE REQUESTED INCREASE AND ANY MATERIALS, SUPPLIES OR SERVICES UNDELIVERED AT THE TIME OF SUCH CANCELLATION. INVOICES REFLECTING "NEW" PRICES WILL NOT BE PROCESSED FOR DELIVERIES OF GOODS RECEIVED PRIOR TO THE INCREASE APPROVAL DATE.
5. PRICE DECREASES SHALL ALSO BE PASSED ON TO THE STATE AND DO NOT REQUIRE VERIFICATION. DECREASES BECOME EFFECTIVE IMMEDIATELY UPON

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### TERMS (cont'd):

#### NOTIFICATION.

#### ADDITIONAL TERMS & CONDITIONS:

ANY ITEM LISTED HEREIN THAT IS NOT DELIVERED IN A TIMELY MANNER OR DOES NOT CONFORM TO THE REQUIREMENTS OF THE PURCHASE ORDER, MAY BE PURCHASED ON THE OPEN MARKET BY THE USING AGENCY. THE CONTRACTED VENDOR WILL BE CHARGED FOR ANY PRODUCT COST INCURRED BY THE STATE THAT IS IN EXCESS OF THE CONTRACTED PRICE.

VENDORS UNABLE TO MAKE SCHEDULED DELIVERY FOR ANY REASON SHALL NOTIFY RECIPIENT AGENCY IN ADVANCE (24 HOURS MINIMUM, IF POSSIBLE) OF SCHEDULED DELIVERY DATE AND TIME.

QUANTITIES SHOWN ARE FOR A TWELVE (12) MONTH PERIOD AND ARE APPROXIMATE. THEY ARE NOT TO BE CONSTRUED AS MINIMUM OR MAXIMUM. THIS CONTRACT DOES NOT OBLIGATE THE STATE TO PURCHASE ANY MINIMUM QUANTITY OR DOLLAR VALUE DURING THE CONTRACT PERIOD

THE CONTRACTOR WILL BE ENTITLED TO NO CHANGE IN CONTRACT PRICE IF QUANTITIES ORDERED OR DELIVERED ARE MORE OR LESS THAN THE QUANTITIES ESTIMATED IN THIS SOLICITATION. THE CONTRACTOR WILL BE PAID FOR ALL ITEMS AND QUANTITIES ORDERED OR DELIVERED UNDER THE CONTRACT AT THE PRICE BID, REGARDLESS OF ITEMS OR QUANTITIES PREVIOUSLY ORDERED OR DELIVERED.

ITEMS MAY BE ADDED OR DELETED FROM THIS CONTRACT AS REQUIRED.

SUBSTITUTION MAY NOT BE MADE WITHOUT PRIOR CONSENT OF THE ORDERING AGENCY.

VENDOR MUST INCLUDE THE 9-DIGIT ZIP CODE OF COMPANY ADDRESS ON ALL INVOICES. FAILURE TO DO SO MAY RESULT IN DELAY OF PAYMENT.

ALL PRODUCTS USED IN PACKING TO CUSHION AND PROTECT DURING THE SHIPMENT OF COMMODITIES ARE TO BE MADE OF RECYCLED, RECYCLABLE, AND/OR BIODEGRADABLE MATERIALS.

CORPORATE "P" PURCHASING CARDS WILL BE USED FOR PAYMENT FOR ALL INDIVIDUAL AGENCY CONTRACT PURCHASES OF \$5,000 OR LESS.

A REPORT MUST BE FURNISHED BY THE SUCCESSFUL VENDOR EVERY SIX (6) MONTHS DETAILING THE PURCHASE OF ALL ITEMS ON THE CONTRACT. THE REPORT SHALL BE SUBMITTED ELECTRONICALLY IN EXCEL FORMAT. AS A MINIMUM, THE REPORT SHALL REFLECT THE CONTRACT NUMBER, CONTRACT ITEM NUMBER AND DESCRIPTION, THE DOLLAR VOLUME PURCHASED OF EACH ITEM, AGENCY IDENTIFICATION, AND THE CONTRACT TOTAL. THE REPORT MUST BE FILED WITHIN THIRTY (30) DAYS AFTER THE END OF EACH REPORTING PERIOD.

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TERMS (cont'd):

ANY EXCEPTION TO THIS MANDATORY REQUIREMENT MAY RESULT IN CANCELLATION OF THE AWARD. FAILURE TO PROVIDE THE REPORT WITH THE MINIMUM REQUIRED INFORMATION MAY ALSO NEGATE ANY CONTRACT EXTENSION CLAUSES. REPORT SHALL BE EMAILED TO THE FOLLOWING TWO (2)

ADDRESSES:

MARGARET.HAJIANTONI@DGS.STATE.MD.US

HOWARD.MCLAIN@DGS.STATE.MD.US

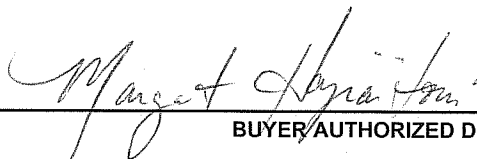
DURATION: CONTRACTS SHALL REMAIN IN EFFECT FOR THE TIME PERIOD AND QUANTITY SPECIFIED UNLESS THE CONTRACT IS TERMINATED BY THE STATE. THE STATE MAY TERMINATE ANY CONTRACT WITHOUT SHOWING CAUSE UPON THIRTY (30) DAYS WRITTEN NOTICE TO THE CONTRACTOR.

IN THE EVENT IT BECOMES NECESSARY TO TERMINATE THE CONTRACT FOR UNSATISFACTORY PERFORMANCE, THE REMAINING PORTION OF THE CONTRACT WILL BE AWARDED TO THE NEXT LOWEST BIDDER ON RECORD IF THIS ARRANGEMENT PROVES TO BE MUTUALLY AGREEABLE.

THE MARYLAND DEPARTMENT OF GENERAL SERVICES' "TERMS AND CONDITIONS FOR COMMODITY CONTRACTS OVER \$25,000" INCORPORATED HEREIN BY REFERENCE.

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AUTHORIZED BY:



BUYER AUTHORIZED DESIGNEE

DATE:

10/1/2012